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Governor Doyle Announces \$16.8 Million for Chrysler Plant Upgrade

KENOSHA – Governor Jim Doyle today announced a \$16.8 million incentives package to assist the Chrysler Group in retooling their Kenosha Engine plant and secure their presence in Wisconsin. The \$16.8 million package, a joint offering from the City of Kenosha, Kenosha County, American Transmission Company (ATC), WE Energies and the State, attracted Chrysler's investment of \$450 million in the Kenosha plant to prepare for the launch of a new family of fuel-efficient V-6 engines. The Governor made the announcement at the firm's 1.9-million square-foot plant in Kenosha.

"As we move this economy forward, we will continue to invest in a strong, growing, vibrant, and innovative manufacturing sector that not only leads the region and the nation, but is the envy of the world," Governor Doyle said. "Chrysler's \$450 million commitment demonstrates our ability to continue attracting important investments and high paying jobs for our workforce. I am pleased that the state could be a good partner with Chrysler as they retool their Kenosha plant to meet the needs of a growing economy."

"This retooling investment will allow us to build an entirely new, globally competitive family of V-6 engines," said Chrysler Group Vice President Powertrain Manufacturing Richard Chow-Wah. "The Chrysler Group Recovery and Transformation Plan is focused on new products, and today's news supports a long-term commitment to new vehicle components that support consumer demand for refined, economical-to-operate vehicles for many years to come."

In 2006, Doyle met with Thomas LaSorda, CEO of DaimlerChrysler, and urged him to make a major new investment in the Kenosha plant.

The \$16.8 million incentive package includes:

- \$7 million loan from the Department of Commerce to aid in the capital investment and upgrading the facility's power infrastructure
- \$3 million in training assistance grants including \$1 million from Gateway Technical College, Department of Commerce and the Department of Workforce Development
- \$2 million loan from the City of Kenosha to aid in the capital investment and upgrading the facility's power infrastructure
- \$1 million loan from Kenosha County to aid in the capital investment and upgrading the facility's power infrastructure
- \$3.8 million in assistance from ATC & WE Energies to upgrade the electrical service to the facility

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The investment and retooling are part of an extensive powertrain offensive that will commit a total of \$3 billion to develop and launch the new engines -- known as Phoenix engines -- in addition to a dual-clutch transmission joint venture with German parts maker Getrag and new common axle family. All are part of Chrysler Group's commitment to advanced powertrain technologies and the first step to more fuel-efficient vehicles.

Scheduled to begin production in January 2011, the plant will have an annual Phoenix production capacity of 400,000 units when it reaches full volume.

Today's event marks another significant milestone in the progress of the Chrysler Group's Recovery and Transformation Plan. The Chrysler Group has invested more than \$12.93 billion in its North American Operations -- including \$8.63 billion in the U.S. -- since 2002.

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